

U.S. Retirement Program



The purpose of the U.S. Retirement Program is to provide income for your retirement based on eligible salary and length of service with the Company. Benefits may be payable from three sources: the tax qualified Retirement Plan and, for certain highly compensated employees, from the non-qualified plans.

These questions and answers about the MMC Retirement Plan, together with the Plan Administration Description dated as of May 10, 2006, form the Summary Plan Description of the MMC Retirement Plan. If you terminated employment before that date, prior Plan provisions may determine your benefit.

Note: This document uses a number of defined terms, highlighted in purple; go to the "Definition" section at the end of the SPD for the defined terms' definitions.

Topics you will find on this page

- ✦ Eligibility for the Retirement Plan
- ✦ How the program works
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Eligibility for the Retirement Plan

You are eligible if you are an employee classified on payroll as a U.S. salaried employee of MMC or any related company that is a participating employer in the Plan. Participating companies include MMC and all its subsidiaries and affiliates other than (i) Putnam Investments, Inc., and its subsidiaries, (ii) Kroll, Inc. and its subsidiaries, including its Quorum and Factual Data business, (iii) CS Stars, LLC (formerly Corporate Systems, Inc.), and (iv) except as described below, Mercer Human Resource Services, including Mercer HR Outsourcing, LLC and Mercer Trust Company. Certain employees of Mercer HR Services who were formerly Mercer HR Consulting employees were given the opportunity to continue participation in the Plan or to elect participation in the Mercer HR Services Retirement Plan.

As used throughout this document, "employee," "you" and "your" always

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mean a U.S. salaried employee of MMC or any other participating company.

Individuals classified on payroll as hourly employees, student interns, employees in Puerto Rico, leased employees, U.S. citizens (or non U.S. citizens working in the U.S.) covered by a Company retirement plan in another country, or individuals who are compensated as independent contractors are not eligible to participate. Employees hired into the Marsh Risk Consulting Practice of Marsh USA Inc. after July 12, 2004 do not accrue benefit service.

You may be eligible for vesting service under the Plan if you are an hourly or leased employee or employed by a subsidiary which is not a participating company (for example: Putnam Investments or a foreign subsidiary) and are subsequently hired by the Company as an eligible salaried employee.

Employees of an acquired business initially become eligible no earlier than the specified dates established in the Plan.

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How the program works

The Retirement Program pays a benefit according to a formula that considers your salary and service with the Company, as well as your covered compensation according to the government's covered compensation table.

The U.S. Retirement Program consists of three plans, the:

- Retirement Plan (tax-qualified) and, for qualifying participants,
- Benefit Equalization Plan (non-qualified)
- Supplemental Retirement Plan (non-qualified).

You are eligible for a benefit if you leave the company and are age 65 or older, or have at least 60 months of vesting service.

You may retire and begin receiving monthly benefit payments at age 65, which is the normal retirement age. As an alternative, you may continue working past age 65 and earn a benefit until you elect a deferred retirement.

You may also elect early retirement at or after age 55, provided you have at least 60 months of vesting service.

The program offers a number of payment forms for your retirement benefit.

Your age when payment begins, your form of payment and your contingent annuitant's age (if you name one) will affect the amount of your calculated monthly payment.

Certain highly-compensated participants may be eligible for benefits from one or both of the non-qualified plans: the Benefit Equalization Plan, which provides benefits that would have been paid if the IRS limits on benefits payable from the Retirement Plan did not apply, and the Supplemental Retirement Plan, designed to provide retirement benefits that supplement benefits from the MMC Retirement Plan, Benefit Equalization Plan and Social Security for the first 25 years of benefit service.

For more information on non-qualified benefits, go to the Benefits

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- » Retirement Plan formula
- » Requesting a calculation
- » Eligible pay used to calculate your retirement benefit
- » Definitions
- » Special J&H rules
- » Special Sedgwick rules
- » Explanation of vesting
- » A plan comparison

Handbook via MMC PeopleLink (www.mmcpeoplelink.com) and access the Benefit Equalization Plan and Supplemental Retirement Plan chapters.

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When participation begins

If you are an eligible employee, your participation begins on the first of the month in which you are at least age 21 and have one year of vesting service. Participation is automatic. No action is required by you.

Generally, once you become a participant, all your service as an eligible employee is credited for vesting service and benefit service purposes and you may also be credited with prior vesting service for your service as an hourly or leased employee, and service with a non-participating subsidiary.

Special provisions also apply if you were employed by an acquired business and your Plan was merged into this Plan.

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Requesting a benefit

Certain information and documentation is required before benefits under the Retirement Plan can commence.

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Contributions

The Company pays the full cost of the program. Employee contributions are not permitted.

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Beneficiary

Your vested death benefit will go to the spouse to whom you have been married for at least one year at the time of your death if you die with a vested benefit before benefits under the program commence. Single employees can not elect a beneficiary for a pre-retirement benefit.

When you qualify to receive benefit payments, you may name any individual as your beneficiary prior to commencing your benefits if you elect a form of payment that permits you to name a beneficiary, and if you are married, your spouse consents to your election and waives the qualified joint and survivor form of payment.

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For more information, contact your Human Resources Representative.

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The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that governs many employer-sponsored plans including this one. Your ERISA rights in connection with the tax-qualified Retirement Plan and (to the extent ERISA applies to those plans, to the Benefit Equalization Plan and the Supplemental Retirement Plan) are detailed in the U.S. Retirement Program's Plan Administration Description that, together with these questions and answers, constitute the Summary Plan Description for this Plan.

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- [U.S. Retirement Program's Plan Administration Description](#)
- [Benefit Equalization Plan](#)

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Retirement Plan formula

Topics you will find on this page

- [Formula](#)
- [Retirement Plan formula for benefits earned on and after January 1, 2006](#)
- [Retirement Plan formula for benefits earned as of December 31, 2005](#)
- [Transition benefit](#)
- [Temporary transition benefit](#)

- your termination date
- your spouse's date of birth
- the date you want to start your benefit.

You will be sent the information through your Human Resources Representative, or at your home address, with a copy sent to your Human Resources Representative, generally, within 15 business days after your request is received. The retirement package may include retirement benefit information and other forms relating to other benefits, including the following forms:

- a direct deposit form
- insurance conversion election form
- Retiree Life Insurance Beneficiary Designation Form
- retiree medical election form
- Retirement Benefit Election form
- Stock Investment Plan Benefit Distribution Form and Special Tax Notice, if you participate in this Plan
- tax withholding election form
- Benefit Equalization Plan and Supplemental Retirement Plan Forms if applicable.

Return your completed forms as instructed in your package.

Generally, your benefit will commence the first of the month after the MMC Retirement Service Center receives your completed forms, as long as your forms were received at least 30 days prior to the 1st of the month. Otherwise, your benefits will commence the 1st of the month following the month in which your completed forms are on file for at least 30 days.

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Terminated vested or retired participant initiating benefits

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Q How do I begin retirement benefits if I have already left the Company?

A To begin receiving a benefit from the Retirement Program, you must send all required information, completed forms and related documents to the MMC Retirement Service Center at least 30 but not more than 90 days before your anticipated benefit commencement date. To begin the process, write to the MMC Retirement Service Center. In your letter be sure to state your:

- termination date
- desired benefit commencement date (generally the first of any month following your termination date, up to age 65. However, benefits cannot commence before your 55th birthday or before all completed paperwork is on file for at least 30 days)
- Social Security number
- date of birth
- marital status, and
- contingent annuitant's date of birth (if applicable).

Attach proof of age for you and your contingent annuitant, such as

a copy of your birth certificate(s), driver's license(s) or passport(s). All information that you provide will be deemed true and correct and will be conclusively binding upon you and your contingent annuitant.

Generally, your benefit will commence the first of the month after the MMC Retirement Service Center receives your completed forms, as long as your forms were received at least 30 days prior to the 1st of the month. Otherwise, your benefits will commence the 1st of the month following the month in which your completed forms are on file for at least 30 days.


If you do not contact the MMC Retirement Service Center to commence benefit payments, and if the MMC Retirement Service Center cannot locate you by your 65th birthday, your benefit may be forfeited. Your benefit will be reinstated, however, if you subsequently notify the MMC Retirement Service Center; your missed benefit payments will be made following your notification.

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Reporting a change in address

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Whom do I notify of my address change after I leave the Company?







 You must report any address change immediately to the MMC Retirement Service Center in order to ensure that you receive your benefits and any notices of benefit changes.

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When to begin your retirement benefit

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-  Normal retirement
-  Early retirement
-  Deferring your retirement benefit
-  Disability
-  Not eligible for retirement

Retirement date vs. benefit commencement date [More...](#)**Q What are my retirement and benefit commencement dates?**

A You may terminate employment but wait to begin receiving payments until a later date.

If you are age 55 or above when you terminate employment with a vested benefit, the first day of the month following your termination of employment from the Company is your retirement date (even if you defer your benefit commencement and accept employment with another unrelated company). You accrue a benefit based on your salary and service up to your retirement date.

The first day of the month in which your monthly payments begin is your benefit commencement date.

Your benefit commencement date may not be later than age 65 or the first of the month following your termination of employment, if later.

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Normal retirement [More...](#)**Q When can I begin receiving my retirement benefit?**

A Your normal retirement date is the time you can retire and start your normal retirement benefit. Your normal retirement date is the first of the month after your 65th birthday (or your 65th birthday if your birthday falls on the first of the month).

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Early retirement [More...](#)**Q Do I have to wait until normal retirement to commence my benefit?**

- » Special Sedgwick rules
- » Special J&H rules

A The program allows participants to retire early, before age 65. Your early retirement date can be the first day of any month after you terminate employment on or after reaching age 55, provided that you have at least 60 months of vesting service on that date.

The benefit payable at your early retirement date is calculated using your salary and benefit service through the end of the month in which you terminate employment. If you elect to begin benefit payments before age 62 (for benefits earned before January 1, 2006) or age 65 (for benefits earned on or after January 1, 2006), your benefit will be reduced to reflect the longer payment period than if you commenced payment at age 65 (your normal retirement date) as shown in the table below.

The percentage of your age-65 benefit you will receive according to your benefit commencement age:

Benefit Commencement Age:	Percentage of Your Age-65 Benefit You Will Receive	
	Benefit Accrued as of December 31, 2005	Benefit Accrued on or after January 1, 2006
55	72%	50%
56	76%	55%
57	80%	60%
58	84%	65%
59	88%	70%
60	92%	75%
61	96%	80%
62	100%	85%
63	100%	90%
64	100%	95%
65 and older	100%	100%

EARLY RETIREMENT EXAMPLE

Let's assume you retire age 62 and 3 months, your accrued benefit as of December 31, 2005, payable at age 65 is \$500 per month and your accrued benefit on or after January 1, 2006, payable at age 65 is \$500 per month. You elect to commence payment at age 62 and 3 months. This means you commence payment 2 years and 9 months (or 33 months) before age 65. Your benefits would be reduced for early retirement as follows:

Accrued Benefit as of December 31, 2005:

- \$500 times 100% (no reduction at age 62 or older under the early retirement reduction methodology applicable to benefits earned before 2006)
= **\$500** per month payable at age 62 and 3 months

Accrued Benefit on or after January 1, 2006:

- \$500 times 86.25% (0.41667% times 33 months equals a 13.75% reduction)
= **\$431.25** per month payable at age 62 and 3 months

Total Early Retirement Benefit = \$931.25 per month payable as a straight life annuity at age 62

If you accrued benefits under either the Johnson & Higgins or Sedgwick Retirement Plans, those benefits have different rules regarding the Early Retirement factors. If you accrued your benefit under the MMC Retirement Plan and terminated prior to January 1, 1991, different Early Retirement factors are applicable to you.

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Deferring your retirement benefit

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Q What if I work past my normal retirement date?

A If you continue working past age 65 (normal retirement age), you continue earning a benefit until you retire. Benefit payments will then begin on your "deferred retirement date," which is the first of the month immediately following the day you terminate employment.

If you continue working past age 70-1/2, you are required to commence your benefit by April 1 of the year following your reaching age 70-1/2.

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Disability

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Q Can I receive my retirement benefit if I am disabled?

A If you are on long term disability, your retirement benefit will begin on the first of the month after you reach 65 (or your 65th birthday if your birthday falls on the first of the month).

If you receive long term disability benefits after age 65, your retirement benefit begins on the first of the month after long term disability benefits cease.

Note: You continue to receive benefit service and vesting service while you are on long term disability.

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Not eligible for retirement

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Q What if I am not eligible to retire when I leave the Company?

A If you are vested but terminate employment before age 55 (the earliest date you can commence benefit payments), you are guaranteed a benefit from the U.S. Retirement Program. Once your Company employment ends, you stop earning a retirement benefit.

You must begin receiving your benefit no later than your normal retirement date (the first of the month on or after age 65). However, you may elect to begin receiving your benefit starting on the first of any month on or after your 55th birthday. If you begin receiving your benefit before you reach age 65, your benefit will be reduced to compensate for the longer projected payout period.

The reduction for benefits accrued prior to January 1, 2003 is 4% (0.33% per month) per year from age 62. The reduction for benefits accrued after December 31, 2002 is 6% (0.50% per month) per year from age 65.

The charts below illustrate the early reduction factors:

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit accrued through December 31, 2002:
55	72%

56	76%
57	80%
58	84%
59	88%
60	92%
61	96%
62 or above	100%

If you elect to begin your benefit at this age:	You will receive this percentage of your benefit accrued from January 1, 2003 to termination of employment:
55	40%
56	46%
57	52%
58	58%
59	64%
60	70%
61	76%
62	82%
63	88%
64	94%
65	100%

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Direct deposit

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hour. For example, if you were hired on October 31, your benefit service date would be October 1. Your benefit service date may be determined differently if you became an eligible employee through an acquisition, if you left the Company and were later rehired, or if you had service as an hourly or leased employee or were employed outside the U.S. Your Human Resources Representative can tell you your benefit service date, as currently maintained in the Company's records; this date can also be found via MMC PeopleLink (www.mmcpeoplelink.com) by accessing, "Information About You" in the Retirement Program Calculator.

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Covered compensation

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This is a set of annually issued Federal Government values of the average of the Social Security maximum Taxable Wage Bases over the 35-year period that ends at your Social Security normal retirement age. The Taxable Wage Base is the maximum amount of compensation recognized in determining your Social Security retirement benefit. (Currently, Social Security normal retirement age is 65 if you were born before 1938; 66 if you were born in 1938 through 1954; and 67 if you were born in 1955 or later. If you have not yet reached your Social Security normal retirement age, the current wage base is projected to your Social Security normal retirement age assuming no increases.) Each year the Federal Government issues an updated Taxable Wage Base Table. A copy of the table can be found on the Internet by accessing: http://www.irs.gov/irb/2004-46_IRB/ar07.html or go to "IRS.gov" and search for "Internal Revenue Bulletin (IRB) 2004-46".

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Deferred retirement date

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If your employment with the Company continues beyond your 65th birthday, your retirement benefit will be deferred, and you will begin receiving your benefit as of the first of the month that immediately follows the day you terminate employment. You will continue to accrue a benefit until you retire.

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Defined benefit plan

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This is a type of retirement benefit plan in which benefits are determined by a formula that usually considers salary and service. The plans in the Retirement Program are all defined benefit plans.

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Early retirement date

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If you have completed at least 60 months of vesting service and are under age 65, you may retire on the first of any month on or after age 55. Your accrued benefit considers salary and service through the end of the month in which you terminate employment. If you retire before age 62 and commence your benefit payments before age 62, your benefit accrued as of December 31, 2005 is reduced by the applicable benefit reduction percentage to reflect the longer payment period. If you retire before age 65, your benefit accrued on or after January 1, 2006 is reduced by the applicable benefit reduction percentage to reflect the longer payment period. Benefits accrued under plans of an acquired company may have different

early retirement reductions that apply.

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Eligible monthly salary

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For the Retirement Plan and Benefit Equalization Plan:

Eligible monthly salary is your monthly base salary paid during periods when you were employed as a salaried employee by a participating MMC company. Salary does not include overtime, bonuses, commissions and other extra compensation but does include before-tax salary reduction amounts that you may contribute to other programs sponsored by MMC in which you were eligible to participate, such as the Stock Investment Plan or a Flexible Spending Account, but excluding compensation you defer under the Stock Investment Supplemental Plan. The amount of your salary that can be used in determining your eligible monthly salary under the Plan is subject to an annual limit prescribed by the IRS. The annual limit is pro-rated so that your eligible monthly salary cannot exceed one-twelfth of the annual IRS limit in effect for the applicable calendar year.

For the Supplemental Retirement Plan:

Same as above but includes compensation you defer under the Stock Investment Supplemental Plan.

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Final average salary

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For the Retirement Plan and Benefit Equalization Plan:

Final average salary is the average of your highest eligible monthly salary paid during periods when you were employed as a salaried employee by a participating MMC company, over a 60 consecutive month period during your employment. Salary does not include overtime, bonuses, commissions and other extra compensation but does include before-tax salary reduction amounts that you may contribute to other programs sponsored by MMC in which you were eligible to participate, such as the Stock Investment Plan or a Flexible Spending Account, but excluding compensation you defer under the Stock Investment Supplemental Plan. The amount of your salary that can be used in determining your final average salary for a qualified plan is subject to an annual limit prescribed by the IRS.

For the Supplemental Retirement Plan:

Same as above but includes compensation you defer under the Stock Investment Supplemental Plan.

Normal retirement date

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Your normal retirement date is the first day of the month on or after reaching age 65.

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Retired employee**More...**

The Company considers you a retired employee starting the first of the month following the last day for which you are paid (if you are not at that time expected to return to work), provided you are at least age 55 with 60 months of vesting service on that date, or age 65 and over with any amount of service.

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The Retirement Program Calculator is a tool you can use to estimate your benefits under the U.S. Retirement Program based on assumptions (selected age expected to retire, salary, years of service, etc.) you choose and also view your prior estimates. The calculator is meant for planning purposes and only provides an estimate of the final amount you may receive during retirement. The Retirement Program Calculator icon can be accessed via MMC PeopleLink (www.mmcpeoplelink.com).

Tax qualified plan**More...**

A plan that satisfies the Internal Revenue Service requirements governing retirement plans and pays benefits within IRS limits and allows the Company to set aside assets in a tax-exempt trust to fund participant benefits, without subjecting participants to tax until they receive distributions from the plan.

The IRS imposes certain limits on tax-qualified plans, such as establishing a maximum amount of salary that can be used to calculate plan benefits, and the maximum benefit that a retirement plan can pay a participant at age 65 and other retirement ages. The government adjusts these limits from time to time. Lower limits applicable for prior years may affect your benefits.

The MMC Retirement Plan is a tax-qualified plan and was last approved by the IRS on July 31, 2002. The 2006 IRS limits for the MMC Retirement Plan are:

- maximum annual pensionable compensation: \$220,000
- annual life annuity benefit at age 65; the lesser of \$175,000 or the average of your highest Company annual compensation over a three consecutive calendar year period.

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Vesting service is used to determine when you become vested and are entitled to a benefit under the U.S. Retirement Program and your eligibility for early retirement, even if you terminate employment before you are eligible to retire. Most employees are vested after completing 60 months of vesting service. However, you are vested at age 65, even if you have less than 60 months of vesting service. Any month in which you worked at least one hour as a salaried employee counts as a full month of vesting service.

Vesting service generally includes the number of months and years of your salaried employment with the Company (that is, your benefit

service) but may also include service:

- with an acquired company to the extent determined by the Company Representative
- with an MMC company that does not participate in the U.S. Retirement Program
- pre-merger vesting service recognized under a merged plan
- as an hourly or leased employee if you later became a salaried employee and have at least 1000 hours of service in your employment year.

Vesting service does not include service for employees who declined participation in the Sedgwick Retirement Plan prior to November 1, 1998, except for the one-year waiting period. (Special rules apply to certain former Sedgwick employees.)

If you are placed on a leave of absence (other than for disability or military) that is more than 12 months in duration, you will not receive vesting service after the first 12 months of the leave.

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Vesting service date

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Vesting service date is the date on which your vesting service begins. For most salaried employees, the vesting service date is the same as the benefit service date: the first of the month in which you worked at least one hour. Your vesting service date may vary, however, if you became an eligible employee through an acquisition, if you participated in a plan that was merged into this Plan, if you left the Company and later were rehired, if you had service as an hourly or leased employee, or if you did not work for a participating company. Your vesting service date can be found via MMC PeopleLink (www.mmcpeoplelink.com) by accessing, "Information About You" in the Retirement Program Calculator.

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Vested termination benefit

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This is the benefit you receive if you terminate employment after you are vested but before age 55. You may elect to receive this benefit from the Program on the first of any month following your 55th birthday (or your 55th birthday if your birthday falls on the first of the month), up until your normal retirement date. If you elect to begin receiving benefits before age 65, your benefit is reduced to reflect the longer payment period. You must begin receiving your benefit no later than your normal retirement date (the first of the month on or after age 65).

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